

and Human Services for providing transportation of household effects of members of the Commissioned Corps of the Public Health Service under subsection (b) shall be available to pay the monetary allowance authorized under paragraph (1) to such members."

Subtitle D—Retired Pay, Survivor Benefits, and Related Matters

SEC. 631. EFFECTIVE DATE FOR MILITARY RETIREE COST-OF-LIVING ADJUSTMENT FOR FISCAL YEAR 1998.

(a) REPEAL OF ADJUSTMENT OF EFFECTIVE DATE FOR FISCAL YEAR 1998.—Section 1401a(b)(2)(B) of title 10, United States Code, is amended—

(1) by striking out "(B) SPECIAL RULES" and all that follows through "In the case of in clause (i) and inserting in lieu thereof "(B) SPECIAL RULE FOR FISCAL YEAR 1996.—In the case of"; and

(2) by striking out clause (ii).

(b) REPEAL OF CONTINGENT ALTERNATIVE DATE FOR FISCAL YEAR 1998.—Section 631 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104-106; 110 Stat. 364) is amended by striking out subsection (b).

note—

SEC. 632. CLARIFICATION OF INITIAL COMPUTATION OF RETIREE COLAS AFTER RETIREMENT.

(a) IN GENERAL.—Section 1401a of title 10, United States Code, is amended by striking out subsections (c) and (d) and inserting in lieu thereof the following new subsections:

"(c) FIRST COLA ADJUSTMENT FOR MEMBERS WITH RETIRED PAY COMPUTED USING FINAL BASIC PAY.—

"(1) FIRST ADJUSTMENT WITH INTERVENING INCREASE IN BASIC PAY.—Notwithstanding subsection (b), if a person described in paragraph (3) becomes entitled to retired pay based on rates of monthly basic pay that became effective after the last day of the calendar quarter of the base index, the retired pay of the member or former member shall be increased on the effective date of the next adjustment of retired pay under subsection (b) only by the percent (adjusted to the nearest one-tenth of 1 percent) by which—

"(A) the price index for the base quarter of that year, exceeds

"(B) the price index for the calendar quarter immediately before the calendar quarter in which the rates of monthly basic pay on which the retired pay is based became effective.

"(2) FIRST ADJUSTMENT WITH NO INTERVENING INCREASE

IN BASIC PAY—If a person described in paragraph

(3) becomes

entitled to retired pay on or after the effective date of an

adjustment in retired pay under subsection (b) but before the

effective date of the next increase in the rates of monthly

basic pay, the retired pay of the member or former member

shall be increased, effective on the date the member becomes

entitled to that pay, by the percent (adjusted to the nearest

one-tenth of 1 percent) by which—

"(A) the base index, exceeds